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STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY
REGULATORY COMMISSION

PETITION OF THE CITY OF BOONVILLE,
INDIANA, FOR AUTHORITY TO ISSUE
BONDS AND FOR APPROVAL OF A NEW
SCHEDULE OF RATES AND CHARGES

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Cause No. 43477

PETITION

TO: SECRETARY OF THE INDIANA UTILITY REGULATORY COMMISSION

Petitioner, the City of Boonville, Indiana ("Petitioner"), by counsel, seeks authority to issue bonds and approval of a new schedule of rates and charges. In support, Petitioner states:

1. Petitioner is a municipality that owns and operates plant and equipment within the State of Indiana for the production, transmission, delivery, and furnishing of water to the public within and around the City of Boonville, Indiana. Petitioner owns and operates a "municipally owned utility" as that phrase is used in Indiana Code § 8-1-2-1(h). Petitioner is subject to the jurisdiction of the Indiana Utility Regulatory Commission ("Commission") as and to the extent provided by law.

2. Petitioner intends, subject to final approval of the Commission, to make additions and improvements to its municipal water system, and to finance the additions and improvements to its municipal water system by the issuance of revenue bonds in one or more series. Petitioner, acting through its Common Council, will adopt an ordinance authorizing the issuance of such bonds, a copy of which shall be filed with the Commission subsequent to the filing of this Petition.

3. Petitioner believes it will be necessary to revise the existing rates and charges of its municipal water system and may establish territorial rates, in one or more phases, pursuant to Indiana Code § 8-1.5-3-8. Therefore, the Petitioner has authorized a study to be prepared by its financial advisor to determine the level of rates and charges that will be necessary to produce sufficient revenue to pay all the legal and other necessary expenses of the municipal water system, including maintenance costs, operating charges, upkeep, repairs, depreciation, taxes and payments in lieu of taxes, interest charges on bonds and other obligations; to provide a sinking fund for the liquidation of bonds and other evidences of indebtedness; to provide a debt service reserve for bonds or other obligations; to provide adequate funds to be used as working capital, adequate funds for making improvements, payments in lieu of taxes, and a reasonable return on the utility plant; and to produce revenues sufficient to maintain the water system property in a sound physical and financial condition to render adequate and efficient service.

4. Once the necessary rates and charges have been determined by the study, Petitioner's Common Council will pass an ordinance establishing a new schedule of rates and charges, subject to the final approval of the Commission. A copy of such ordinance will be filed subsequent to the filing of this Petition. In the event the study recommends the implementation of the rates and charges in phases and Petitioner's Common Council passes an ordinance establishing a new schedule of rates and charges to be implemented in phases, Petitioner, pursuant to Indiana Code § 8-1.5-3-8(h), respectfully requests authority from the Commission to implement the new schedule of rates and charges for water service in phases.

5. The new rates and charges will provide sufficient revenue to meet the financial requirements of Petitioner's municipal water system, including payment in lieu of taxes and a reasonable return on the utility plant, as set forth in Indiana Code § 8-1.5-3-8.

6. Petitioner proposes the test year to be used in determining Petitioner's actual and pro-forma operating revenues, expenses, and operating income under present and proposed rates be the twelve months ending December 31, 2007, adjusted for changes which are fixed, known and measurable and which will occur within twelve months of December 31, 2007. Petitioner also proposes that December 31, 2007, be the cutoff date for accounting and engineering evidence to be presented for determination of the amount of Petitioner's net utility plant and capital improvements, used and useful, in furnishing service to the public.

7. Jurisdiction of the matter herein is conferred upon the Commission by Indiana Code § 8-1.5-2-19 (approval of the issuance of bonds) and Indiana Code § 8-1.5-3-8 (approval of rates and charges).

8. The names and addresses of the attorneys for the Petitioner in connection with this matter are Adam Arceneaux and Brian E. Bailey of the law firm ICE MILLER LLP, One American Square, Suite 3100, Indianapolis, IN 46282-0200, telephone number (317) 236-2100, each of whom is authorized to accept service of all pleadings and communications regarding matters referred to in this Petition.

9. This Petition has been provided to the Office of Utility Consumer Counselor ("OUCC") at the time of filing of this Petition.

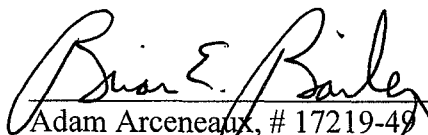
10. Pursuant to 170 IAC 1-1.1-15(b), Petitioner requests a date be promptly fixed for a prehearing conference to establish a procedural framework for Petitioner's request.

WHEREFORE, Petitioner respectfully requests the Commission promptly conduct a prehearing conference and such hearings as deemed necessary, take such further action as it deems appropriate, and therefore issue a final order authorizing the issuance of bonds and approving the establishment of a new schedule of water rates and charges applicable thereto.

Finally, Petitioner respectfully prays that the Commission make such other and further orders in the premises as the Commission may deem appropriate and proper.

Respectfully submitted

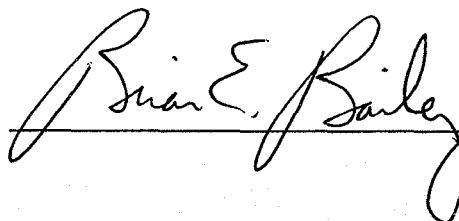
CITY OF BOONVILLE, INDIANA


Adam Arceneaux, # 17219-49
Brian Bailey, # 22265-53
Attorneys for Petitioner, City of Boonville

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing has been hand delivered on the 4th day of April, 2008, to:

Office of Utility Consumer Counselor
Indiana Government Center North
100 North Senate Avenue
Room N501
Indianapolis, IN 46204



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